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BY HAND

August 4, 2006

Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

Attn: Mark Allen

RE: MUR 5765

Dear Mr. Allen:

On behalf of respondent Crop Production Services, Inc. ("CPS"), and on behalf of the four CPS employees and spouses of two of those employees who are also named as respondents in this matter ("Individual Respondents"), we are responding to the July 18, 2006, "reason to believe" ("RTB") letter from the Commission providing notice that it has found reason to believe the above respondents may have violated § 441b(a), or § 441(f), or both, of Title 2, United States Code—provisions of the Federal Election Campaign Act of 1971, as amended ("Act").

First, CPS wishes to inform the Office of General Counsel and the Commission that it has reviewed the Factual and Legal Analysis relating to CPS, and finds the summary of information and related facts contained therein to be true and accurate to the best of its knowledge, with one exception. On page 6, line 18, the analysis should refer to "Richard Gearheard" rather than "Thomas Warner".

This error arose from CPS's second voluntary submission to the Office of General Counsel on March 9, 2006. Specifically, in its response to item 5 on page 8 of that submission,

Berlin Brussels Charlotte Chicago Cologne Frankfurt Houston London Los Angeles New York Palo Alto Paris Washington, D.C.  
Independent Mexico City Correspondent: Jauregui, Navarrete y Nader S.C.

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OFFICE OF GENERAL  
COUNSEL  
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Federal Election Commission  
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CPS states that “[t]he CEO and Chairman of CPS’s parent corporation, Agrium, also spoke to Warner...”; and in its response to item 11 on page 10 of the submission, it describes corrective steps taken after the reimbursements at issue were discovered, noting parenthetically that “(subsequently, Gearheard spoke personally with each employee to reinforce the substance of these directives, and the CEO and Chairman of CPS’s parent corporation spoke with Thomas Warner).” In fact, the CEO and Chairman of CPS’s parent corporation, Agrium, Inc., spoke to Richard Gearheard, not Thomas Warner.

CPS apologizes for this inadvertent error, and asks that the record in this proceeding be corrected to reflect that, after Richard Gearheard spoke personally with each employee regarding the corporate directives issued to them, the CEO and Chairman of CPS’s parent corporation spoke not with Thomas Warner, but with Richard Gearheard.

Second, the Individual Respondents have reviewed their respective Factual and Legal Analyses and have executed the enclosed declarations, made under penalty of perjury pursuant to 28 U.S.C. § 1746, in which they affirm the truth and accuracy of the summary of information and related facts contained in the Factual and Legal Analyses relating to them. CPS and the Individual Respondents believe that the statements made in these declarations should be considered in mitigation of any penalties that otherwise might apply to them.

Third, CPS wishes to note that, since first discovering possible violations of the Act on September 1, 2005, and informing the Office of General Counsel of the same in its *sua sponte* submission on September 17, 2005, it has taken the following remedial and preventive steps:

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Federal Election Commission  
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- CPS, working with the Individual Respondents, immediately began (and has completed) unwinding the transactions at issue in this matter in their entirety in order to return all parties thereto to their financial *status quo ante*. Actions taken include the immediate transmittal of disgorgement letters to ARA-PAC by the Individual Respondents in order to retrieve the contributions, the full and timely repayment of reimbursed amounts by the Individual Respondents to CPS, and the prompt payment of refunds to the equipment and supply companies for the value of auction items received at the time by CPS.
- Richard Gearheard, CEO of CPS, met personally with each of the four employees to impress upon them the impropriety of their actions, the extent to which they had placed the entire corporation in jeopardy of being subjected to enforcement proceedings and liability, and made clear that the corporation required repayment of the total reimbursement amounts for the ARA-PAC contributions, regardless of whether ARA-PAC ultimately disgorged the contributions.
- In a November 18, 2005, memorandum to senior executives of Agrium's major U.S. subsidiaries (including CPS) regarding the corporation's charitable donations budget for 2006, Richard Gearheard stated in no uncertain terms that no donation (even if an employee thinks it to be non-political) will be reimbursed to an employee, and reiterated the longstanding corporate policy that absolutely no corporate donations may be made to political action committees, candidates, or political parties, as such donations are illegal.
- CPS, at the beginning of every year, re-circulates the Agrium Code of Business Conduct, which includes a very clear prohibition on unauthorized use of corporate assets to make

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political contributions, and all employees are required to certify their compliance with the Code in the preceding year.

Beyond these remedial and preventive measures, CPS and the Individual Respondents also wish to emphasize the following points, which they believe warrant particular consideration as the Office of General Counsel and the Commission review this matter:

- No violation the Commission has found reason to believe occurred was knowing and willful.
- CPS's own inquiry into this matter indicates that none of the Individual Respondents knew at the time of the reimbursements that his or her actions might constitute unlawful corporate political contributions under the Act.
- Once possible violations of the Act were discovered by CPS on September 1, 2005, it did not hesitate with regard to the proper course of action. It promptly notified the Office of General Counsel and openly sought guidance regarding proper corrective steps to be taken.
- Subsequent to CPS's *sua sponte* submission to the Office of General Counsel on September 17, 2005, CPS and the Individual Respondents have made every effort to cooperate to the fullest extent possible with the Commission, and to respond fully and promptly to Commission requests for documents and information concerning this matter.
- The transactions at issue in this matter are truly aberrational. CPS and the Individual Respondents have no prior history of violating any federal election campaign laws or regulations, nor does any of them intend to allow such violations to occur in the future.

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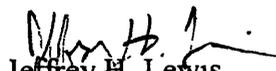
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Accordingly, in light of the fact that any violations in this matter were not knowing and willful, the prompt and voluntary nature of the disclosures made to the Commission, the remedial and preventive efforts that have been undertaken, the good faith cooperation with the Commission in producing relevant information and documents, and the aberrational character of the transactions, CPS and the Individual Respondents respectfully request that the Commission take no action against them in this matter.

In closing, CPS and the Individual Respondents wish to reiterate with the Office of General Counsel and the Commission their strong desire to adhere fully to both the letter and the spirit of all federal election campaign laws. Thank you for this opportunity to respond to the Commission's findings. If you require further information regarding this matter or have any questions about this response, please do not hesitate to contact us. Please direct any inquiries to Jeff Lewis, by telephone at (202) 263-3371, or by e-mail at [jhlewis@mayerbrownrowe.com](mailto:jhlewis@mayerbrownrowe.com).

Sincerely,

  
Simeon M. Kriesberg

  
Jeffrey H. Lewis

Enclosures:

Statements of Designation of Counsel by Nancy Steele and Debra Warner  
Declarations of Dennis Horstman, Duane Mol, Alan Steele, Nancy Steele, Debra Warner, and Thomas Warner

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FEDERAL ELECTION COMMISSION  
 999 E Street, NW  
 Washington, DC 20463

**Statement of Designation of Counsel  
 (Respondent/Witness)**

MUR: 5765

Name of Counsel: JEFFREY H. LEWIS and SIMSEON M. KRISBERG

Firm: MAUSE BROWN ROWE & MAWE LLP  
1909 K. STREET, NW WASHINGTON, DC 20006-1101

Telephone: (202) 263-3371

Fax: ( )

The above named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

7/27/06  
 Date

Nancy Steele  
 Signature

Name (Print): NANCY STEELE

Address: \_\_\_\_\_  
DAKINOA, FL 61428

Telephone: Home \_\_\_\_\_  
 Business (309) 342-4100 x 11

Information is being sought as part of an investigation being conducted by the Federal Election Commission and the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section prohibits making public any investigation conducted by the Federal Election Commission without the express written consent of the person under investigation.

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FEDERAL ELECTION COMMISSION  
 999 E Street, NW  
 Washington, DC 20463

**Statement of Designation of Counsel  
 (Respondent/Witness)**

MUR: 5765

Name of Counsel: Jeffrey H. Lewis and Simon M. Krisberg

Firm: Magier, Brown, Rowe & Munn LLP

1909 K Street, NW Washington, DC 20006-1101

Telephone: (202) 263-3371

Fax: ( ) \_\_\_\_\_

The above named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

7/28/06  
 Date

Debra A. Warner  
 Signature

Name (Print): Debra A. Warner

Address: \_\_\_\_\_  
Rio, IL 61472

Telephone: Home

Business (309) 342-4100 x112

Information is being sought as part of an investigation being conducted by the Federal Election Commission and the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section prohibits making public any investigation conducted by the Federal Election Commission without the express written consent of the person under investigation.

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FEDERAL ELECTION COMMISSION

MUR 5765

DECLARATION OF  
DENNIS HORSTMAN

I, Dennis Horstman, hereby declare as follows:

1. I have read the Factual and Legal Analysis relating to me and included as an enclosure with the Federal Election Commission's July 18, 2006, Reason to Believe letter, issued as a part of the Commission's MUR 5765.

2. The summary of information and related facts presented in this Factual and Legal Analysis is true and accurate to the best of my knowledge and recollection.

3. I did not, at the time, realize that my actions might constitute an unlawful corporate political contribution.

4. No violation of federal election campaign law which the Commission finds reason to believe I may have committed was knowing and willful.

5. Upon being informed that my actions may have been unlawful, I promptly took all steps necessary to remedy my error and have cooperated with the voluntary disclosure to the Commission and all inquiries by the Commission.

6. I have been reprimanded by my employer for my violation of company policy, and fully intend not to engage in any violation in the future.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated this 29 day of July, 2006.

  
DENNIS HORSTMAN

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FEDERAL ELECTION COMMISSION

MUR 5765

DECLARATION OF  
DUANE MOL

I, Duane Mol, hereby declare as follows:

1. I have read the Factual and Legal Analysis relating to me and included as an enclosure with the Federal Election Commission's July 18, 2006, Reason to Believe letter, issued as a part of the Commission's MUR 5765.

2. The summary of information and related facts presented in this Factual and Legal Analysis is true and accurate to the best of my knowledge and recollection.

3. I did not, at the time, realize that my actions might constitute an unlawful corporate political contribution.

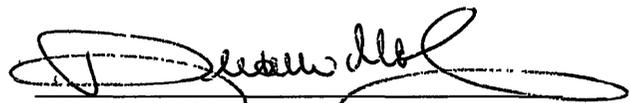
4. No violation of federal election campaign law which the Commission finds reason to believe I may have committed was knowing and willful.

5. Upon being informed that my actions may have been unlawful, I promptly took all steps necessary to remedy my error and have cooperated with the voluntary disclosure to the Commission and all inquiries by the Commission.

6. I have been reprimanded by my employer for my violation of company policy, and fully intend not to engage in any violation in the future.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated this 28<sup>th</sup> day of July, 2006.

  
DUANE MOL

27044161184

FEDERAL ELECTION COMMISSION

MUR 5765

DECLARATION OF  
ALAN STEELE

I, Alan Steele, hereby declare as follows:

1. I have read the Factual and Legal Analysis relating to me and included as an enclosure with the Federal Election Commission's July 18, 2006, Reason to Believe letter, issued as a part of the Commission's MUR 5765.
2. The summary of information and related facts presented in this Factual and Legal Analysis is true and accurate to the best of my knowledge and recollection.
3. I did not, at the time, realize that my actions might constitute an unlawful corporate political contribution.
4. No violation of federal election campaign law which the Commission finds reason to believe I may have committed was knowing and willful.
5. Upon being informed that my actions may have been unlawful, I promptly took all steps necessary to remedy my error and have cooperated with the voluntary disclosure to the Commission and all inquiries by the Commission.
6. I have been reprimanded by my employer for my violation of company policy, and fully intend not to engage in any violation in the future.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated this 28 day of July, 2006.

  
\_\_\_\_\_  
ALAN STEELE

27044161185

FEDERAL ELECTION COMMISSION

MUR 5765

DECLARATION OF  
NANCY STEELE

I, Nancy Steele, hereby declare as follows:

1. I have read the Factual and Legal Analysis relating to me and included as an enclosure with the Federal Election Commission's July 18, 2006, Reason to Believe letter, issued as a part of the Commission's MUR 5765.

2. The summary of information and related facts presented in this Factual and Legal Analysis is true and accurate to the best of my knowledge and recollection.

3. I did not, at the time, realize that my actions might constitute an unlawful corporate political contribution.

4. No violation of federal election campaign law which the Commission finds reason to believe I may have committed was knowing and willful.

5. Upon being informed that my actions may have been unlawful, I promptly took all steps necessary to remedy my error and have cooperated with the voluntary disclosure to the Commission and all inquiries by the Commission.

6. I fully intend not to engage in any violation in the future.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated this 28 day of July, 2006.

  
NANCY STEELE

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FEDERAL ELECTION COMMISSION

MUR 5765

DECLARATION OF  
DEBRA WARNER

I, Debra Warner, hereby declare as follows:

1. I have read the Factual and Legal Analysis relating to me and included as an enclosure with the Federal Election Commission's July 18, 2006, Reason to Believe letter, issued as a part of the Commission's MUR 5765.

2. The summary of information and related facts presented in this Factual and Legal Analysis is true and accurate to the best of my knowledge and recollection.

3. I did not, at the time, realize that my actions might constitute an unlawful corporate political contribution.

4. No violation of federal election campaign law which the Commission finds reason to believe I may have committed was knowing and willful.

5. Upon being informed that my actions may have been unlawful, I promptly took all steps necessary to remedy my error and have cooperated with the voluntary disclosure to the Commission and all inquiries by the Commission.

6. I fully intend not to engage in any violation in the future.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated this 30 day of July, 2006.

  
DEBRA WARNER

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FEDERAL ELECTION COMMISSION

MUR 5765

DECLARATION OF  
THOMAS WARNER

I, Thomas Warner, hereby declare as follows:

1. I have read the Factual and Legal Analysis relating to me and included as an enclosure with the Federal Election Commission's July 18, 2006, Reason to Believe letter, issued as a part of the Commission's MUR 5765.

2. The summary of information and related facts presented in this Factual and Legal Analysis is true and accurate to the best of my knowledge and recollection.

3. I did not, at the time, realize that my actions might constitute an unlawful corporate political contribution.

4. No violation of federal election campaign law which the Commission finds reason to believe I may have committed was knowing and willful.

5. Upon being informed that my actions may have been unlawful, I promptly took all steps necessary to remedy my error and have cooperated with the voluntary disclosure to the Commission and all inquiries by the Commission.

6. I have been reprimanded by my employer for my violation of company policy, and fully intend not to engage in any violation in the future.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated this 29 day of July, 2006.

  
THOMAS WARNER

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